

HOUSE BILL No. 1113

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-14.

Synopsis: Income tax credit for student loan borrowers. Provides a refundable credit against an individual's adjusted gross income tax liability during the first 10 consecutive years after the individual is first required to begin repayment of a student loan if the individual is employed in a qualifying occupation.

Effective: January 1, 2016.

Niezgodski

January 8, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1113

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3-3-14 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: **Sec. 14. (a) This section applies only to taxable**
4 **years beginning after December 31, 2015.**
5 **(b) The following definitions apply throughout this section:**
6 **(1) "Credit eligibility period" of an individual means a period**
7 **of consecutive taxable years beginning with the first taxable**
8 **year in the individual's life that the individual is required to**
9 **begin making payments on a student loan the proceeds of**
10 **which were used to fund the individual's education and ending**
11 **with the earlier of:**
12 **(A) the taxable year in which the individual pays the**
13 **student loan in full; or**
14 **(B) the tenth consecutive taxable year.**
15 **(2) "Qualifying occupation" means the following:**



- 1 (A) Social worker.
- 2 (B) Nurse.
- 3 (C) Teacher.
- 4 (3) "Student loan" means a qualified education loan (as
- 5 defined in Section 221(d)(1) of the Internal Revenue Code).
- 6 (c) Each taxable year in an individual's credit eligibility period,
- 7 the individual is entitled to a refundable credit against the
- 8 individual's adjusted gross income tax liability for the taxable year
- 9 in an amount equal to:
- 10 (1) two thousand five hundred dollars (\$2,500); multiplied by
- 11 (2) a fraction equal to:
- 12 (A) the number of months during the taxable year in which
- 13 the individual is employed on a full-time basis in a
- 14 qualifying occupation; divided by
- 15 (B) twelve (12).
- 16 (d) For purposes of determining the number of months
- 17 employed on a full-time basis in subsection (c)(2)(A), if an
- 18 individual is not employed on a full-time basis throughout an entire
- 19 month, the fraction of month in which the individual is employed
- 20 on a full-time basis equals:
- 21 (1) the number of full weeks the individual is employed on a
- 22 full-time basis in a qualifying occupation during the month,
- 23 not to exceed four (4); divided by
- 24 (2) four (4).
- 25 (e) An individual must claim the credit provided by this section
- 26 in the manner prescribed by the department.

